

REQUEST FOR COUNCIL ACTION

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MEETING 7-21-03
DATE:

AGENDA SECTION: CONSENT AGENDA		ORIGINATING DEPT: PUBLIC WORKS	ITEM NO. D-18
ITEM	AMENDMENTS TO STATE OF MINNESOTA 2003 TRANSIT ASSISTANCE CONTRACTS		PREPARED BY: A KNAUER <i>pk</i>

The Minnesota Department of Transportation is amending all 2003 transit assistance contracts in response to the State's budget difficulties. The amendment reduces this years State funding assistance by 3% for regular route and dial-a-ride services. This reduced funding amount will become the ceiling for State funding in 2004.

Regular Route (Agreement # 83731)

The amendment reduces State assistance from \$999,001.65 to \$884,677.74. A portion of this (\$70,941.50) will be made up by increased federal assistance leaving a final reduction in State assistance of \$43,382.41. This is approximately a \$2.9 million budget. Based on the first 6 months it appears the program can absorb some reduction. However, slight service adjustments and a moderate fare increase will also be required. A list of these changes was prepared earlier in the year in the event of a funding reduction. The transit advisory will make a final recommendation on these service and fare changes in the next month. These changes will be subject to a public hearing before the Council.

Dial -A-Ride (Agreement #83732)

The amendment reduces State assistance from \$300,680.25 to \$291,659.84 for a total reduction of \$9,020.41. By holding off of expanded service originally planned for 2003 the budget should be able to absorb the reduction. Staff will continue to monitor expenses and adjust service accordingly.

REQUESTED COUNCIL ACTION

- (1) Adopt the prepared resolution approving Amendment #1 to MnDOT Agreements Numbers 83731 and 83732 regarding 2003 transit assistance and authorizing the signing by the Mayor and City Clerk.

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____

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